



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

November 22, 2017

Mark A. Bradley, Director  
Information Security Oversight Office  
National Archives and Records Administration  
700 Pennsylvania Avenue NW, Room 100  
Washington, DC 20408-0001

Dear Mark,

Enclosed please find the completed Standard Form 311 Data Report for the Department of the Treasury reflecting classification and related activity for FY2017.

Please contact (b) (6) Deputy Director Office of Security Programs on (b) (6) if you have any questions.

Sincerely,

(b) (6)

(b) (6) Michael W. Mason  
Deputy Assistant Secretary for Security

Enclosure

# AGENCY SECURITY CLASSIFICATION MANAGEMENT PROGRAM DATA

(Submissions must be unclassified and reach the Information Security Oversight Office (ISOO) no later than November 15 following the reporting period.)

| <b>PART A: Identifying Information</b>  |  |         |
|---|--|---------|
| 1. Enter the Fiscal Year that this report covers.   |  | 1. 2017 |
| 2. Identify the Department, Independent agency, or Establishment that is covered by this report.  | 2. Department of the Treasury                                |         |
| 3. Enter the name and title of the Senior Agency Official (as defined in E.O. 13526, section 5.4(d)) responsible for this report.   | 3. Michael W. Mason, Deputy Assistant Secretary for Security |         |
| 4. Point-of-contact responsible for answering questions about this report:  |  |         |
| 4a. Name:   | 4a. (b) (6)  |         |
| 4b. Title:  | 4b. Deputy Director Office of Security Programs              |         |
| 4c. Email address:  | 4c. (b) (6)@treasury.gov                                     |         |
| 4d. Phone number:   | 4d. (b) (6)  |         |
| <b>PART B: Officials with Original Classification Authority</b>   |  |         |
| 5. Enter the number of agency officials whose highest level of original classification authority is TOP SECRET.   | 5.   | 11      |
| 6. Enter the number of agency officials whose highest level of original classification authority is SECRET.   | 6.   | 2       |
| 7. Enter the number of agency officials whose highest level of original classification authority is CONFIDENTIAL.   | 7.   | 0       |
| 8. Total number of officials with original classification authority. (Sum of blocks 5, 6, and 7)  | 8.   | 13      |
| <b>PART C: Original Classification Decisions</b>  |  |         |
| <p>Original classification is an initial determination that the information to be classified has not been previously classified by any other authority. It also meets the following conditions: (1) it was classified by an original classification authority; (2) the information is owned by or for, or is under the control of the United States Government; (3) it falls into at least one of the categories from section 1.4 of E.O. 13526; and (4) unauthorized disclosure could reasonably be expected to result in damage to the national security. (Provide information on all original classification decisions, regardless of the media, including those documented and disseminated via email. Do not count reproductions or copies.)</p> |  |         |
| 9. Enter the number of original TOP SECRET classification decisions made during the reporting period with declassification instructions of 10 years or less.  | 9.   | 0       |
| 10. Enter the number of original TOP SECRET classification decisions made during the reporting period with declassification instructions ranging from over 10 years to 25 years.  | 10.  | 0       |
| 11. Total number of TOP SECRET original classification decisions. (Sum of blocks 9 and 10)  | 11.  | 0       |
| 12. Enter the number of original SECRET classification decisions made during the reporting period with declassification instructions of 10 years or less.   | 12.  | 0       |
| 13. Enter the number of original SECRET classification decisions made during the reporting period with declassification instructions ranging from over 10 years to 25 years.  | 13.  | 1       |
| 14. Total number of SECRET original classification decisions. (Sum of blocks 12 and 13)   | 14.  | 1       |
| 15. Enter the number of original CONFIDENTIAL classification decisions made during the reporting period with declassification instructions of 10 years or less.   | 15.  | 0       |
| 16. Enter the number of original CONFIDENTIAL classification decisions made during the reporting period with declassification instructions ranging from over 10 years to 25 years.  | 16.  | 0       |
| 17. Total number of CONFIDENTIAL original classification decisions. (Sum of blocks 15 and 16)   | 17.  | 0       |
| 18. Total number of original classification decisions. (Sum of blocks 11, 14, and 17)   | 18.  | 1       |

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| <b>PART D: Derivative Classification Decisions</b>   |             |
|--|-------------|
| Derivative classification is the incorporating, paraphrasing, restating, or generating in new form information that is already classified. This includes classification based on classification guides or other source documents. (Provide information on all classification decisions, regardless of the media, including those documented and disseminated via email. Do not count reproductions or copies.) |             |
| 19. Enter the number of derivative <b>TOP SECRET</b> classification decisions made during the reporting period.  | 19. 96,448  |
| 20. Enter the number of derivative <b>SECRET</b> classification decisions made during the reporting period.  | 20. 72,400  |
| 21. Enter the number of derivative <b>CONFIDENTIAL</b> classification decisions made during the reporting period.  | 21. 8,595   |
| 22. Total number of derivative classification decisions. (Sum of blocks 19, 20, and 21)  | 22. 177,443 |
| <b>PART E: Mandatory Declassification Review Requests</b>  |             |
| A "Request" is an individual initial review request, regardless of the number of documents or pages to be reviewed as part of the request. Report only requests for your agency in which your agency is responsible for the final decision.  |             |
| 23. Enter the number of <b>REQUESTS</b> received during the reporting period.  | 23. 7       |
| 24. Enter the number of <b>REQUESTS</b> closed during the reporting period.  | 24. 22      |
| 25. Of the <b>REQUESTS</b> entered into block 24, enter the number of pages that were:   | 25.         |
| a. Declassified in full.   | 25a. 151    |
| b. Declassified in part.   | 25b. 0      |
| c. Denied declassification.  | 25c. 6      |
| d. Total number of requested pages acted on. (Sum of blocks a, b, and c)   | 25d. 157    |
| 26. Enter the number of <b>REQUESTS</b> that have been unresolved for over one year.   | 26. 12      |
| 27. Enter the <b>AVERAGE NUMBER OF DAYS</b> to resolve each request.   | 27. 120     |
| 28. Enter the number of <b>REFERRED REQUESTS</b> received during the reporting period. (Number of requests referred to your agency from another agency)  | 28. 3       |
| <b>PART F: Mandatory Declassification Review Appeals</b>   |             |
| An "Appeal" is an individual request for appeal, regardless of the number of documents or pages to be reviewed as part of the request. Report only appeals for your agency in which your agency is responsible for the final decision.   |             |
| 29. Enter the number of <b>APPEALS</b> received during the reporting period.   | 29. 0       |
| 30. Enter the number of <b>APPEALS</b> closed during the reporting period.   | 30. 0       |
| 31. Of the <b>APPEALS</b> entered into block 30, enter the number of pages that were:  | 31.         |
| a. Declassified in full.   | 31a. 0      |
| b. Declassified in part.   | 31b. 0      |
| c. Denied declassification.  | 31c. 0      |
| d. Total number of appealed pages acted on. (Sum of blocks a, b, and c)  | 31d. 0      |
| 32. Enter the number of <b>APPEALS</b> that have been unresolved for over one year.  | 32. 0       |
| 33. Enter the <b>AVERAGE NUMBER OF DAYS</b> to resolve each appeal.  | 33. 0       |
| 34. Enter the number of <b>REFERRED APPEALS</b> received during the reporting period. (Number of appeals referred to your agency from another agency)  | 34. 0       |

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| PART G: Automatic, Systematic, and Discretionary Declassification Reviews  |     |       |
|--|-----|-------|
| 35. Enter the number of pages <b>REVIEWED</b> that were subject to automatic declassification under section 3.3 of E.O. 13526.   | 35. | 0     |
| 36. Enter the number of pages <b>DECLASSIFIED</b> under automatic declassification.  | 36. | 0     |
| 37. Enter the number of pages <b>REVIEWED</b> that were subject to systematic declassification under section 3.4 of E.O. 13526.  | 37. | 0     |
| 38. Enter the number of pages <b>DECLASSIFIED</b> under systematic declassification.   | 38. | 0     |
| 39. Enter the number of pages <b>REVIEWED</b> that were subject to discretionary declassification under section 3.1 of E.O. 13526.   | 39. | 0     |
| 40. Enter the number of pages <b>DECLASSIFIED</b> under discretionary declassification.  | 40. | 0     |
| PART H: Internal Agency Oversight  |     |       |
| 41. Enter the number of <b>CHALLENGES</b> processed by your agency to the classification of information believed to be <b>improperly classified or unclassified</b> . (E.O. 13526, section 1.8)  | 41. | 0     |
| 42. Enter the number of <b>CHALLENGES</b> where the classification status was <b>fully affirmed</b> .  | 42. | 0     |
| 43. Enter the number of <b>CHALLENGES</b> where the classification status was <b>overturned in whole or in part</b> .  | 43. | 0     |
| PART I: Intelligence Community (IC) Information  |     |       |
| This section applies only to IC agencies and IC components of other agencies who <i>originally apply</i> the ORCON and ORCON-USGOV dissemination control. This information, along with ISOO's annual inspection reports will be used to inform the annual report to the DNI on the use of classification markings. |     |       |
| <b>Organization's classified disseminated analytic product (as defined in ICD 206 Sourcing Requirements for Disseminated Analytic Product) originally marked ORCON.</b>  |     |       |
| 44. Enter <b>PERCENTAGE</b> of your organization's classified disseminated analytic products originally marked <b>ORCON</b> .  | 44. | 0.00% |
| 45. Enter <b>TOTAL NUMBER</b> of your organization's classified disseminated analytic products originally marked <b>ORCON</b> .  | 45. | 0     |
| 46. Enter the <b>NUMBER OF REQUESTS</b> approved for expanded dissemination of ORCON in <b>full</b> .  | 46. | 0     |
| 47. Enter the <b>NUMBER OF REQUESTS</b> approved for expanded dissemination of ORCON in <b>part</b> . Provide explanation for partial denial in part J below.  | 47. | 0     |
| 48. Enter the number of ORCON expanded dissemination requests <b>DENIED</b> . Provide explanation for denial in part J below.  | 48. | 0     |
| <b>Organization's classified disseminated analytic product (as defined in ICD 206 Sourcing Requirements for Disseminated Analytic Product) originally marked ORCON-USGOV.</b>  |     |       |
| 49. Enter <b>PERCENTAGE</b> of your organization's analytic products originally marked <b>ORCON-USGOV</b> .  | 49. | 0.00% |
| 50. Enter <b>TOTAL NUMBER</b> of your organization's analytic products originally marked <b>ORCON-USGOV</b> .  | 50. | 0     |
| 51. Provide <b>TOTAL NUMBER</b> of reports of <b>potential misapplication</b> of the ORCON marking. Provide background information on each occurrence in Part J below.   | 51. | 0     |
| 52. Has your organization been <b>NEGATIVELY IMPACTED</b> by information being marked with ORCON or ORCON-USGOV control marking? If yes, provide explanation in Part J below.  | 52. | N/A   |

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**PART J: Explanatory Comments**

*Use this space to elaborate on any section of this form. If more space is needed, provide as an attachment to this form. Provide explanations for any significant changes in trends/numbers from the previous year's report.*

Part C 13: Process used to determine Office of Intelligence and Analysis (OIA) original classification decisions in FY 2017:

- Recorded the results of the 2017 Fundamental Classification Guide Review, where one original classification was made.
- Tasked the Senior Advisor of each OIA OCA with guidance on information needed and recorded their responses.

Part D 19-22: Terrorism and Financial Intelligence (TFI) increase in derivative classification over FY 2016 is driven primarily by

(b) (7)(E)

(b) (7)(E) OFAC sanctions authorities were expanded by recent legislation, including CAATSA, as well as (b) (7)(E)

(b) (7)(E)

However, (b) (7)(E) all saw

increases their derivative classification at all levels due to expanded mission requirements. Comparison to OIA FY 2016 Results - Derivative classification decisions made by OIA increased by 36,629 compared to FY 2016. While this is represented by an increase in all three classifications, the greatest contribution to this comes from a 37,200 increase in derivative classification decisions at the Top Secret level. This is attributed to three respondents that reported a significantly higher number of Top Secret derivative classification decisions compared to other respondents. Each of these individuals was interviewed to determine what may have caused the increase in Top Secret derivative classification decisions. It was found that these respondents were from A&P where there is regular exchange of information with other IC entities and daily duties involve the development of counter-terrorism (CT) reports. Compared to FY 2016, OIA respondents noted (b) (7)(E)

(b) (7)(E)

There has also been an increase in reports received by OIA A&P from outside IC elements, which are increasingly being developed at the Top Secret level, leading to greater information exchanges with these organizations at that level, as well as the output of CT reports at the Top Secret level. This appears to be the greatest contributor to the increase in Top Secret derivative classification decisions. Other possible contributing factors were explored, such as, number of employees surveyed from A&P during the previous year and whether information was counted correctly, but these factors did not appear to cause the change from FY 2016. Derivative classification decisions at the Secret and Confidential levels also increased in comparison to FY 2016, but not significantly. While over-classification cannot be ruled out as a contributor to the sharp increase in Top Secret derivative classification decisions, most of OIA's information, particularly that of A&P, is derivatively classified from source materials received from inter-agency partners. This is the main driver for the classification level of A&P's products.

Part E-25c: The MDR pre-emptively requested information deemed classified during a previously submitted but not completed FOIA request. OFAC could not initiate MDR until completed FOIA.

Part I: Process used to determine number of original ORCON/ORCON-USGOV decisions by OIA:

- Solicited information from the Office of Analysis and Production (A&P), which produces analytic products, and the Office of Information Sharing, which processes requests for expanded dissemination of ORCON, who concluded that based on the definition of a DAP, as described in ICD 206. Note - OIA did not develop any DAPs that were originally marked ORCON or ORCON-USGOV during FY 2017.